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Summary record of the 1st meeting
Held at Headquarters, New York, on Thursday, 5 October 2017, at 10 a.m.

Chair: Mr. Tommo Monthe ..... (Cameroon)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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17-17564 (E)

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The meeting was called to order at 10.10 a.m.

Organization of work (A/C.5/72/1; A/C.5/72/L.1)

1. **The Chair** invited members to consider the proposed programme of work of the Committee for the main part of the session, contained in the informal paper that had been circulated to all delegations, and the note by the Secretariat on the status of preparedness of the relevant documentation (A/C.5/72/L.1). A separate list on the status of documentation would be issued for the first and second parts of the resumed session.

2. He drew attention to recommendations made by the General Committee in its first report (A/72/250) with regard to the rationalization of work. The Main Committee had been requested to further discuss their working methods at the beginning of every session and to brief the Ad Hoc Working Group on the Revitalization of the Work of the General Assembly on the results of their discussions.

3. The Committee should complete its work for the main part of the session by 8 December 2017. In view of financial constraints, meetings, including informal meetings, should start promptly at 10 a.m. and be adjourned by 6 p.m. In accordance with past practice, the requirement of a quorum for the start of a meeting should be waived. The General Committee had drawn attention to rules 99 (b), 106, 109, 114 and 115 of the rules of procedure regarding the conduct of meetings.

4. Efforts should be made to reduce the number of resolutions adopted, and resolutions should not contain requests for reports from the Secretary-General unless such reports were strictly necessary for the implementation of those resolutions or for the continued consideration of an item. Resolutions should be short and action-oriented. In addition, the Main Committees should merely take note of the reports of the Secretary-General or of subsidiary bodies that did not require a decision and should neither debate nor adopt resolutions on them unless specifically requested to do so.

5. **Mr. Morejón Pazmiño** (Ecuador), speaking on behalf of the Group of 77 and China, said that the Group trusted that adequate time would be provided for the consideration of important agenda items. Despite noticeable improvement, the late issuance of reports remained a chronic problem for the Committee. Reports of the Secretariat and of the Advisory Committee on Administrative and Budgetary Questions should be submitted in a timely fashion in all languages, in accordance with the rules of procedure of the Assembly, so that the Committee's effectiveness was not hindered. Reports on agenda items with financial and budgetary implications should be received as early as possible, and the Bureau should remind all stakeholders in the Organization of the importance of brevity, clarity and punctuality.

6. The Group looked forward to examining the second performance report of the programme budget for the biennium 2016–2017, the capital master plan, construction and property management, programme planning, human resources management, the United Nations common system and the proposed programme budget for the biennium 2018–2019. The General Assembly must approve resources commensurate with the full implementation of mandated programmes and activities. The Group would pay close attention to the reports on Umoja, the resident coordinator system, the strategic heritage plan, administration of justice at the United Nations, the scale of assessments for the apportionment of the expenses of the United Nations system, revised estimates and programme budget implications.

7. The Group was committed to concluding agenda items before the Committee within the time allotted, to ensure the effective functioning of the Organization. Negotiations should be conducted in an open, inclusive and transparent manner. Member States were collectively responsible for taking decisions that were in the best interest of the Organization and enabled it to implement its mandates effectively.

8. **Mr. Teo** (Singapore), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that the Secretariat must be given sufficient resources to fulfil mandates approved by the General Assembly. ASEAN would follow with interest the Committee's deliberations on the proposed programme budget for the biennium 2018–2019, construction and property management, special political missions and the Extraordinary Chambers in the Courts of Cambodia, and noted the importance of the Office of Internal Oversight Services. In human resources management, ASEAN had studied the Secretary-General's report on staff demographics. It welcomed his commitment to gender parity and balanced geographical representation in the Secretariat, especially at senior levels, and looked forward to full discussion by the Committee of his reform proposals. The Secretary-General should consult as widely as possible to ensure that the reform was transparent and inclusive. Given the Committee's heavy and complex workload, stakeholders should ensure that documents were issued in a timely fashion. The trend at recent sessions for the Committee to complete its work slightly earlier than the previous year should continue.

9. **Mr. Martins** (Angola), speaking on behalf of the Group of African States, said that the Secretariat and the Advisory Committee should ensure that Member States received reports well in advance so that they could make informed decisions. The draft programme of work included such important matters as the proposed programme budget for the biennium 2018–2019, the resident coordinator system, administration of justice at the United Nations, construction and property management, and the United Nations common system. The Group would also pay close attention to procedures, performance comparators and processes in mandate implementation. The matters before the Committee also included human resources management, special political missions, the African Union-United Nations Hybrid Operation in Darfur (UNAMID) and the United Nations Mission for Justice Support in Haiti (MINUJUSTH). The Committee must consider proposals on the financing of UNAMID and MINUJUSTH without delay, taking into account the challenges facing those missions. The Group would examine ways of increasing the membership of the Advisory Committee, whose workload had increased, to ensure fair participation for African countries and equitable geographical representation.

10. The Committee should conduct its work in an open, inclusive and transparent manner within the allotted time, and should refrain from negotiations in small groupings behind closed doors. The Group was committed to the established principles of the Organization, and was convinced that the Chair would ensure that they were respected. Regarding the scale of assessments, a speedy decision should be taken on requests submitted under Article 19 of the Charter so that the Member States concerned could fully participate in the Assembly session. Current negotiation mechanisms and the sovereign right of every Member State to express its views on administrative and budgetary matters should be respected.

11. **Mr. Alliance** (Haiti), speaking on behalf of the Caribbean Community (CARICOM), said that the remaining reports on the matters before the Committee should be issued in good time to avoid adversely affecting the Committee's work. The Committee should take the time needed to ensure that agenda items were thoroughly considered and the work successfully concluded. CARICOM would pay particular attention to the proposed programme budget for the biennium 2018–2019; the Secretary-General's management reform proposals, including the restructuring of the Office of the United Nations High Commissioner for Human Rights (OHCHR); the pension system; the financing of MINUJUSTH; capital projects at the regional economic commissions; and the strategic heritage plan. Member States were collectively responsible for taking decisions that were in the interests of the Organization as a whole and allowed it to fulfil its mandates.

12. **Mr. De Preter** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, Georgia and the Republic of Moldova, said that the current session came at a critical juncture for the United Nations. The Committee's programme of work included the proposed programme budget for the biennium 2018–2019, the many additional reports with implications for that budget, and management reform. A collective effort was required to ensure that the reform resulted in an Organization more focused on delivery than on process. The Member States must conduct the negotiations as effectively and expeditiously as possible, focusing on those issues which required a decision by the Committee.

13. The Secretary-General had stated that the United Nations was crippled by bureaucracy and complex decision-making processes. The Committee, which had previously tended to micromanage and be averse to change, must now be strategic, open to change and respectful of the trust the Member States had placed in the Secretary-General. The Secretary-General's reform must improve the Committee's working methods. Simplification was needed, duplication must be avoided and processes must be streamlined. The Committee should require less meeting time and fewer documents, and should adopt fewer and shorter resolutions.

14. The timely, simultaneous issuance of required documentation in the official languages was essential to the inclusivity and transparency needed for successful negotiations. The Committee should reach decisions by consensus within normal working hours, with proper conference facilities; working outside those hours should be the exception, not the rule. The Committee had a key role to play in improving inclusivity, transparency and efficiency.

15. The Committee should better manage the time available at the second part of the resumed session, which had finished late year after year, forcing the Committee to work without conference services or interpretation. He trusted that, at the current session, the Committee would improve its time management

and the scheduling of agenda items, particularly in peacekeeping, throughout the year. The Bureau should give high priority to the organization of the second part of the resumed session and should, at an early stage, consider how to make best use of the Committee's time.

16. **Mr. Sandoval Mendiolea** (Mexico) said that the international community had welcomed the Secretary-General's commitment to transforming the United Nations into an effective, modern organization, but continued to wait for major change. Mexico supported the Secretary-General's reform initiative because the world needed a strong United Nations to meet the challenges of sustainable development, peace and security, and human rights. The reforms were intended to improve the functioning of the Organization, make it more results-oriented and make decision-making more responsive to people's needs. The direction and pace of the reforms, as well as timely, clear communication with Member States, must be maintained.

17. Ambitious reform required the support of the whole United Nations system and the will of all Member States to rebuild trust among all stakeholders. The Committee had an essential role to play in transforming the Organization. The long-standing deficiencies in United Nations management could be addressed only through changes in the structure of the Secretariat and in the rules on financing, human resources and property management. The recruitment, deployment and development of qualified staff should be expedited so that they were more flexible and could respond effectively in emergencies. Coordination should be improved, and more attention should be paid to achieving results than to procedures and regulations. The planning and budgeting cycles should be reformed to reduce the number of documents considered by the Committee.

18. To rebuild trust between the Member States and the Secretariat, the Secretariat should provide more details regarding the implementation of the reforms, including time frames and expected results; the evaluation of those results and foreseeable organizational risks; and the ways in which greater delegation of authority and accountability would work in practice.

19. In discussing the proposed programme budget for the biennium 2018–2019, the Committee should give the Secretariat the resources it needed to perform its functions responsibly and increase transparency and accountability, with a focus on prevention, inclusivity and human rights. Mexico was committed to contributing financial and human resources to the Organization; all Member States should meet their contributions in full. The permanent members of the Security Council had a particular responsibility for international peace and security, and the distortion resulting from the inclusion of the special political missions in the regular budget should be corrected. An adequate level of resources should be allocated to MINUJUSTH and the United Nations Verification Mission in Colombia, and Mexico would examine in detail the requirements for larger, more established peacekeeping operations with a view to saving resources to finance the achievement of the Sustainable Development Goals.

20. **Ms. Stener** (Norway) said the Secretary-General had recently presented ambitious proposals to reform the United Nations, and the Committee would be essential in supporting change and enabling new ways of working. Change often hurt, but was necessary for a stronger, more flexible Organization. All regional groups and Member States should approach the challenges with an open mind, in a spirit of consensus. With regard to the Secretary-General's proposed reform of the budget process, a simplified, transparent budget proposal and a shorter cycle were essential in upholding the authority and budgetary oversight of the General Assembly.

21. Member States must ensure that adequate resources were available to fund the implementation of mandates, including those of the Human Rights Council. The Organization was also responsible for securing sufficient funding for the United Nations Relief and Works Agency for Palestine Refugees in the Near East. The search for consensus was a core value of the Committee, even when Member States' initial views diverged widely, but an impasse had been reached in certain areas. Committee members should make every effort at the current session to come to an agreement on the decentralization of OHCHR to better assist the Member States and regions. The United Nations must finance its share of the resident coordinator system as a matter of principle. Her delegation looked forward to discussing the budget proposals for MINUJUSTH and the United Nations Verification Mission in Colombia, with the aim of helping the countries concerned to sustain hard-won peace and prosperity.

22. **Mr. Fu** Daopeng (China) said that the current session was significant because of the discussions on the proposed programme budget for the biennium 2018–2019 and the Secretary-General's proposed reforms. Financial resources were essential to the functioning of the United Nations, and the programme budget for the biennium 2018–2019 should be set at a

level that allowed the Organization to carry out its mandates. There was a need for strict financial discipline and improved resource utilization. All parties should work in a spirit of democratic consultation to formulate a reasonable budget. China supported the Secretary General's management reform effort, which should be driven by the Member States, improve efficiency and enhance the Organization's role in world peace, common development and international cooperation. His delegation, which was carefully studying the Secretary-General's reform proposals, looked forward to improving cooperation and conducting in-depth discussions to advance the reform. Given the Committee's heavy agenda and continued delays in document availability, the Secretariat should circulate documents in a timely manner, and all stakeholders should cooperate to improve efficiency and complete the Committee's work within the allotted time.

23. **Ms. Norman Chalet** (United States of America) said that, in September 2017, the Permanent Mission of the United States and the Heads of Delegation of 12 other Member States had hosted a high-level event on United Nations reform, with the Secretary-General as guest speaker, and 131 delegations had signed a political declaration that endorsed the Secretary-General's reform initiative and represented a firm commitment to strengthening trust and partnership among Member States and between Member States and the Secretariat. The Secretary-General had proposed an overall vision for the reform and for the transformation and strengthening of mandate implementation processes. Her delegation supported the Secretary-General's efforts to ensure that the reform supported peace and security, human rights and development, the pillars of the United Nations.

24. Her delegation would closely scrutinize the regular budget for the biennium 2018–2019 and funding requests for the renovation of the United Nations Office at Geneva, construction projects in Addis Ababa, Bangkok, Nairobi and Santiago, and other ongoing initiatives. It looked forward to considering the recommendations of the International Civil Service Commission and efforts to rationalize staff costs. The session also provided opportunities to ensure that the Organization held every level of management accountable, protected whistle-blowers and focused on results rather than processes. Although the Committee had a heavy workload, the broader vision of a more effective United Nations should be at the forefront of its deliberations. It should avoid a "business as usual" approach and change ineffective practices.

25. **Ms. Harqus** (United Arab Emirates) said that her Government had announced its commitment to United Nations reform by signing the September 2017 political declaration, in which over 120 countries had expressed their confidence in the Secretary-General's ability to make the United Nations more powerful and more responsive to the needs of the international community. Her delegation welcomed the comprehensive approach taken in discussions of the Secretary-General's report on shifting the management paradigm in the United Nations (A/72/492). That approach should be pursued to achieve lasting results. She looked forward to full implementation of such administrative and financial tools as Umoja and the International Public Sector Accounting Standards, which should be developed through the initiatives announced in the report, and to the other reports that the Secretary-General intended to submit on those matters.

26. Organizations functioned better if they achieved gender balance in leadership positions, and the United Arab Emirates was working with such bodies as the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) to address women's issues. Her delegation was active in the Ad Hoc Working Group on the Revitalization of the Work of the General Assembly, which should be guided in its deliberations by the principles of gender equality and equitable geographical distribution of senior posts. She looked forward to the Committee's discussion of the United Nations resident coordinator system. The Organization should improve current practice by affirming the principles of transparency, accountability and respect for the sovereignty of the countries in which it had a coordinator, and should keep pace with the system's development.

27. **Ms. Tripathi** (India) noted that many of the documents related to the matters before the Committee had already been issued, and trusted that sufficient time would be allocated for thorough consideration of those matters. The systemic issue of late distribution of documentation, which had hampered the Committee's work for some time, should be addressed. Her delegation welcomed the Secretary-General's reform efforts, in particular the establishment of the Office of Counter-Terrorism, which should be allocated adequate resources in the programme budget for the biennium 2018–2019. The Organization must be more responsive to evolving situations in the field. Field managers must therefore have delegated authority to change organizational designs to strengthen accountability. Her delegation looked forward to receiving further details on the matter.

28. Efforts to ensure the rational utilization of resources should not undermine the implementation of United Nations mandates. Her delegation gave high priority to the deliberations on the proposed programme budget for the biennium 2018–2019. All Member States' priorities must be reflected in the regular budget; the allocation of resources must strike a balance between development, human rights and peace and security, and must be adequate to support the implementation by Member States of the 2030 Agenda for Sustainable Development. Delegations must engage constructively in a spirit of partnership to implement the Agenda and meet other challenges; the Secretariat must have the financial and human resources to fulfil its mandate.

29. **Mr. Skinner-Klée** (Guatemala) said that the Committee was responsible for approving the budget and establishing the scale of assessments, one of the General Assembly's most complex tasks. The programme of work included the proposed programme budget for the biennium 2018–2019, Umoja, administration of justice at the United Nations, the strategic heritage plan and the resident coordinator system. While the facilitators did much to reconcile divergent views on agenda items, the political will of Member States was essential to reaching the agreements that would allow the Organization to implement mandates in development, human rights and peace and security. The Secretariat should provide documentation in a timely manner to avoid delays in the Committee's work.

30. **Mr. Hoshino** (Japan) said that, bearing in mind that the assessed budget was funded by the taxpayers of Member States, his delegation would evaluate the appropriateness and affordability of all requests for additional resources under the current budget and the proposed programme budget for 2018–2019. His Government attached great importance to more efficient management of the Secretariat, particularly with a view to transparency and accountability, and supported the Secretary-General's reform initiative. His delegation would carefully analyse reports submitted to the Committee, but emphasized that budgetary discipline should also apply to discussions of that initiative. It would negotiate the proposed programme budget for the biennium 2018–2019 on the basis of relevant resolutions and current rules and regulations.

31. **Mr. Khalizov** (Russian Federation) said that the Committee had before it the second performance report of the programme budget for the biennium 2016–2017 and the proposed programme budget for the biennium 2018–2019. A pragmatic approach should be taken to the financing of United Nations activities to balance the search for savings with the implementation of programme activities, and Member States should ensure that the Secretariat spent the budget more effectively, responsibly and transparently. Proposals for additional appropriations should be carefully justified, including in terms of budgetary discipline, and budget cuts must not be arbitrary or adversely affect mandate implementation.

32. His delegation attached great importance to management reform. New initiatives should be implemented in accordance with current mandates, taking into account Member States' positions. Accountability and transparency in the Secretariat must be improved, and flexibility must be ensured in the development of reform proposals that took into account the specific characteristics of field activities. Strategic efforts should be made to define common goals and parameters and coordinate reforms. Reform proposals should include clear performance indicators and detailed benefit realization plans. Expenditure increases for Member States were unacceptable given current efforts to make optimum use of United Nations budget resources; any changes made must be strictly in line with the mandates to be approved by the General Assembly.

33. Such large infrastructure investments as the strategic heritage plan, renovation and construction work in Nairobi, the regional commissions in Bangkok and Santiago, and proposals for the strategic review of capital assets accounted for a significant part of the work of the Committee. The final cost of some of those projects was linked to reform initiatives, particularly Umoja, the information and communications technology strategy, the flexible workplace and the global service delivery model, that could significantly affect the Organization's office space requirements. Those questions should be considered in conjunction with one another to maximize cost-effectiveness.

34. **The Chair** said that he took it that the Committee wished to approve the proposed programme of work on the understanding that the Bureau would take into account the views expressed and make any necessary adjustments.

35. *It was so decided.*

Agenda item 140: Scale of assessments for the apportionment of the expenses of the United Nations (A/72/11 and A/72/71)

36. **Mr. Greiver** (Chair of the Committee on Contributions), introducing the report of the Committee on Contributions on its seventy-seventh

session (A/72/11), said that the report contained the results of the review, conducted by the Committee pursuant to General Assembly resolution 70/245, of elements of the methodology for the scale of assessments in order to reflect capacity to pay.

37. On the basis of its review of the income measure, which constituted a first approximation of capacity to pay, the Committee on Contributions had reaffirmed its recommendation that the scale of assessments should be based on the most current, comprehensive and comparable data available for gross national income (GNI). It had expressed support for efforts by the Statistics Division to enable Member States to submit national accounts data on a timely basis with the required scope, detail and quality. It had also recommended that the General Assembly should encourage Member States to submit the required national accounts questionnaires under the 1993 or 2008 System of National Accounts (SNA) on a timely basis.

38. Conversion rates were required in order to be able to express in a common monetary unit GNI data reported in national currencies. The Committee on Contributions had reaffirmed its recommendation that conversion rates based on market exchange rates (MERs) should be used, except where doing so would cause excessive fluctuations and distortions in the gross national income of some Member States expressed in United States dollars. GNI data must be averaged over a designated base period; once a base period had been chosen, there were advantages in using the same base period for as long as possible.

39. The Committee on Contributions had noted that the unavailability of data was no longer a factor in determining whether to base the debt-burden adjustment, an element of the methodology since 1986, on total external debt or public external debt, and whether the debt-stock approach or the debt-flow approach should be used. Data were now available on public external debt and on the actual repayment period. The Committee had decided to consider further the question of the debt-burden adjustment in the light of guidance from the General Assembly.

40. While the Committee on Contributions had agreed that the low per capita income adjustment, part of the methodology since the first scale, continued to be an essential element in the scale methodology, it had considered various alternatives. One such alternative involved establishing the threshold on the basis of the world average per capita debt-adjusted GNI. Another possible alternative was an inflation-adjusted threshold. The Committee had decided to consider the low per capita income adjustment further in the light of guidance from the General Assembly.

41. The current methodology included a maximum assessment rate, or ceiling, of 22 per cent, a maximum assessment rate, or ceiling, for the least developed countries of 0.010 per cent, and a minimum assessment rate, or floor, of 0.001 per cent. The Committee on Contributions had decided to consider those elements further in the light of guidance from the General Assembly. In connection with other suggestions and other possible elements for the scale methodology, it would also study further the questions of large scale-to-scale changes in rates of assessment, discontinuity and annual recalculation in the light of guidance from the Assembly.

42. The report contained a review of the latest report of the Secretary-General on multi-year payment plans (A/72/71) and updated information on the status of implementation of the remaining payment plan as at 23 June 2017. The Committee on Contributions had reiterated its recommendation that the Assembly should encourage those Member States in arrears to consider submitting multi-year payment plans.

43. The Committee on Contributions had considered four requests for exemption under Article 19, and had encouraged the Member States concerned to address the growth in arrears by making annual payments exceeding current assessments in order to avoid further accumulation of debt. The Committee had concluded that the failure of the remaining four Member States — the Comoros, Guinea-Bissau, Sao Tome and Principe, and Somalia — to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond their control and recommended that they should be permitted to vote until the end of the seventy-second session of the General Assembly.

44. **Mr. Berridge** (Chief, Contributions and Policy Coordination Service), introducing the report of the Secretary-General on multi-year payment plans (A/72/71), said that six Member States had successfully implemented multi-year payment plans since the adoption of that system, which gave due consideration to the economic situation of Member States and was voluntary in nature.

45. The report set out the status of implementation of the sole remaining plan, submitted by Sao Tome and Principe, as at 31 December 2016. No new payment plans had been submitted in recent years, but several Member States had indicated that they were considering the matter. The Secretariat stood ready to assist Member States wishing to implement such plans.

46. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that Member States should pay their assessed contributions in full, on time and without conditions, in fulfilment of their legal obligations under the Charter, to ensure that the Organization had adequate financial resources to discharge its mandates. Consideration should nevertheless be given to the special circumstances that temporarily prevented some developing countries from meeting their financial obligations, and the Group commended those Member States that had made every effort to fulfil those obligations despite the difficulties they faced. In that regard, the Group endorsed the recommendation of the Committee on Contributions concerning the four Member States with pending requests under Article 19 and emphasized the need to consider those requests in a timely manner.

47. She welcomed the efforts of Member States that had met their commitments under multi-year payment plans. Such plans should remain voluntary and should not be used as a means of exerting pressure on Member States that were already in difficult circumstances. Likewise, they should not be a factor in considering requests for exemption under Article 19 of the Charter.

48. The current methodology for the preparation of the scale of assessments reflected changes in the relative economic situations of Member States. The Group reaffirmed capacity to pay as the fundamental criterion in the apportionment of the expenses of the United Nations and rejected any changes in the elements of the current methodology aimed at increasing the contributions of developing countries. Core elements such as the base period, gross national income, conversion rates, low per capita income adjustment, the gradient, the floor, the least developed countries ceiling and the debt-stock adjustment were not negotiable. The Assembly should, however, review the overall ceiling, which had been fixed as a political compromise and was in consequence at odds with the principle of capacity to pay and a fundamental distortion of the scale of assessments.

49. Organizations with an enhanced observer status at the United Nations that enjoyed rights and privileges usually granted only to observer States should have the same financial obligations as such States. The Assembly should consider establishing an assessment for such organizations.

50. **Mr. De Preter** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, Georgia and the Republic of Moldova, said that the comprehensive review of the scale methodology had provided valuable recommendations for the enhancement of that methodology. Funding the Organization so as to ensure its sustainability and effective functioning was the joint responsibility of all Member States. Further efforts must be made to ensure that the methodology reflected an equitable distribution of the financial responsibilities among Member States according to their capacity to pay.

51. With regard to the requests for exemptions under Article 19 of the Charter, he reiterated that the payment of assessed contributions in full, on time and without conditions was a fundamental duty of all Member States. Nevertheless, some States might face genuine temporary difficulties in discharging that duty for reasons beyond their control. Multi-year payment plans were effective tools that helped Member States to reduce their unpaid assessed contributions. He therefore endorsed the recommendations of the Committee on Contributions regarding exemptions under Article 19.

52. Bearing in mind the Committee's heavy workload and the need to enhance its working methods and accelerate its procedures, he called for the speedy conclusion of negotiations on the current agenda item. In that regard, the Committee should not discuss proposals that deviated from Article 17 of the Charter and the principle of the capacity to pay.

53. **Mr. Imada** (Japan) said that, as one of the major financial contributors to the United Nations, Japan attached great importance to the scale of assessments. His Government had faithfully paid its dues, despite its domestic economic and financial difficulties.

54. Taking into account the evolving global economic situation, a consensus must be reached on a methodology that equitably reflected each Member State's capacity to pay, based on current, comprehensive and comparable data, with a view to ensuring the sustainability of the Organization.

55. His delegation endorsed the recommendations of the Committee on Contributions regarding exemptions under Article 19 of the Charter and encouraged those Member States in arrears to consider submitting multiyear payment plans.

56. **Mr. Hamasi** (Libya), drawing the Committee's attention to paragraph 120 of the report of the Committee on Contributions (A/72/11), said that, as at 7 August 2017, Libya had paid the minimum amount necessary to avoid the application of Article 19.

57. **Mr. Greiver** (Chair of the Committee on Contributions) took note of the comment made by the representative of Libya and underscored that the report of the Committee on Contributions reflected only the information available as at end-June 2017.

The meeting rose at 12.25 p.m.

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Summary record of the 2nd meeting
Held at Headquarters, New York, on Thursday, 5 October 2017, at 3 p.m.

Chair: Mr. Tommo Monthe ..... (Cameroon)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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The meeting was called to order at 3 p.m.

Agenda item 137: Programme planning (A/72/16, A/72/72 and A/72/73/Rev.1)

1. **The Chair** drew attention to the report of the Committee for Programme and Coordination (CPC) on its fifty-seventh session (A/72/16), the report of the Office of Internal Oversight Services (OIOS) on strengthening the role of evaluation and the application of evaluation findings on programme design, delivery and policy directives (A/72/72), and the report of the Secretary-General on proposed revisions to the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (article VII and annex) (A/72/73/Rev.1).

2. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the work of CPC as the main subsidiary organ of the General Assembly and the Economic and Social Council responsible for supporting the crucial task of translating intergovernmental mandates into workable programmes. CPC offered guidance to the Secretariat by interpreting legislative mandates and developed evaluation procedures to improve programme design and avoid duplication of work; it embodied the core oversight capacity of the General Assembly in those areas. She appreciated the continued commitment of CPC to promoting accountability, monitoring and evaluation of programme results and endorsed the recommendations and conclusions contained in the report on its fifty-seventh session (A/72/16). The Group attached high priority to the programme planning process for the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development. The implementation of the framework for the Sustainable Development Goals was particularly important, as it covered the next six bienniums and related to virtually every aspect of the United Nations development system.

3. The Group supported the efforts of the Office of the Special Adviser on Africa to implement the New Partnership for Africa's Development. It recommended that the General Assembly request United Nations system organizations and intergovernmental bodies to take into consideration the comments and input of regional and subregional organizations, including the African Union, in formulating policies and taking decisions, in particular in the areas of youth unemployment, extremism and terrorism, governance, the protection of women and children, mediation, conflict prevention, and peace and security, in accordance with the Charter of the United Nations. Given the importance of evaluation processes in the Secretariat, the Group expected the recommendations and conclusions of CPC to be diligently implemented by managers. She noted with satisfaction that the reports of the Joint Inspection Unit (JIU) continued to be submitted for consideration by CPC and encouraged JIU to intensify its efforts to submit relevant reports to CPC in order to enable it to achieve its objectives and account for its successes.

4. The Secretariat should make better use of in-house expertise in carrying out evaluations in Secretariat entities, in particular by drawing on the expertise of internal and external oversight bodies. When preparing future plan outlines, the Secretariat must also consult widely with Member States before presenting proposals on management reform to the General Assembly. Lastly, the Group attached great importance to the programme performance report as a key accountability and management tool for Member States and the Secretariat, particularly with regard to lessons learned, while emphasizing that additional outputs during a biennium should stem primarily from intergovernmental mandates.

Agenda item 145: Report on the activities of the Office of Internal Oversight Services (A/72/120, A/72/120/Add.1, A/72/298, A/72/298/Add.1, A/72/330 (Part I) and A/72/330 (Part I)/Add.1)

Agenda item 134: Review of the efficiency of the administrative and financial functioning of the United Nations (A/72/295)

5. **Ms. Mendoza** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (OIOS) on its non-peacekeeping activities from 1 July 2016 to 30 June 2017 (A/72/330 (Part I) and A/72/330 (Part I)/Add.1), said that, during the reporting period, OIOS had issued 374 oversight reports, including 7 reports to the General Assembly and 30 closure reports. The reports included 1,183 recommendations to improve internal controls, accountability mechanisms and organizational efficiency and effectiveness, of which 29 had been classified as critical to the Organization. The reports also provided an analysis, covering a three-year period, of trends in audit recommendations, classified according to the five integrated components of internal control: control environment, information and communication, risk assessment, control activities and monitoring. In each of those years the bulk of the recommendations related to control activities, which referred to a range of policies, procedures and other mechanisms used to minimize risks during programme implementation.

6. Following its review of the standardized ratings assigned to audits, the Office had decided, as at 1 October 2016, to replace such ratings with appropriately tailored overall conclusions, in order to improve communication of the results of internal audits. The use of such conclusions was in line with the standards of the Institute of Internal Auditors and was better suited to the Office's diverse set of clients, who operated in a variety of risk environments and whose portfolios were at different levels of maturity within the internal control system.

7. OIOS had implemented a number of improvements to improve its focus and accountability for its resources. The Internal Audit Division and the Inspection and Evaluation Division were revising their methodology to more effectively identify risks and ensure that their work plans were aligned with the Organization's enterprise risk management strategy. In addition, all three divisions of OIOS were participating in learning activities in order to allow staff to fully leverage the comprehensive information available through Umoja. For instance, the Internal Audit Division had established a working group to develop standard procedures for auditing typical processes based on Umoja processes and functionalities and to train auditors on the use of data analytics. Synthesizing information across the Office's audit, evaluation and investigation functions also enabled a better understanding of the connections needed to improve oversight, while providing management with the insight required to promote enterprise-level accountability.

8. The Investigations Division had undertaken major recruiting exercises and was conducting activities, including training sessions, aimed at strengthening the Organization's capacity to investigate incidents of sexual exploitation and abuse. The Division had also made robust efforts to identify risks and weaknesses in organizational governance, promote a culture of ethical integrity, and combat fraudulent and corrupt activities, which posed serious financial, operational and reputational threats to the Organization. OIOS would support the Secretary-General in his oversight responsibilities with a view to creating a strong and accountable United Nations fortified by world-class internal oversight and empowered by its mission of delivering objective and effectual results.

9. **The Chair** drew attention to the report of the Joint Inspection Unit (JIU) entitled "State of the internal audit function in the United Nations system" (A/72/120) and to the note by the Secretary-General transmitting his related comments and those of the United Nations System Chief Executives Board for Coordination (A/72/120/Add.1). He also drew attention to the report of the Joint Inspection Unit (JIU) entitled "Donor-led assessments of the United Nations system organizations"(A/72/298) and to the note by the Secretary-General transmitting his related comments and those of the United Nations System Chief Executives Board for Coordination (A/72/298/Add.1).

10. **Ms. Pulido Tan** (Chair of the Independent Audit Advisory Committee), introducing the report of the Independent Audit Advisory Committee (IAAC) on its activities for the period from 1 August 2016 to 31 July 2017 (A/72/295), said that IAAC was responsible for advising the General Assembly on compliance by management with audit and oversight bodies' recommendations, including by monitoring the quality, level of follow-up, and rate of implementation of those recommendations, with a view to identifying and addressing weaknesses in the internal control system and programme performance. While there had been improvement in the implementation rate of oversight bodies' recommendations, management must continue its efforts to ensure their timely implementation.

11. Although notable efforts had been made to strengthen enterprise risk management, the Secretary-General must ensure provision of the capacities required for its effective implementation and maintenance. To that end, IAAC agreed with the recommendation of the Board of Auditors that the Administration should develop a detailed implementation plan for all elements of enterprise risk management that provided for a clear timetable, milestones, deliverables, resource requirements and an accountability system. Furthermore, given the dynamic and evolving nature of enterprise risk assessments, risk treatment plans should be updated in a timely manner. IAAC remained concerned at the slow process by which departments considered to be champions of risk management, such as OIOS and the Department of Management, were implementing enterprise risk management and called on the Office to lead by example in that regard.

12. Progress had been made in managing risks associated with extrabudgetary funding and management, particularly as they related to the inability to identify, establish and maintain the optimal structure and controls for trust funds, resulting in a loss or misuse of assets. Given the reality of the need for extrabudgetary funding, the Organization must continue its efforts to fully assess and manage the related risks. IAAC had held a number of discussions relating to emerging risks and would focus greater attention on threats to cybersecurity and digitalization during the next reporting period.

13. With regard to the effectiveness, efficiency and impact of the activities of OIOS, IAAC recommended that the Office review its decision to discontinue the ratings system for audit reports, stressing the need to improve the transparency and objectivity of report ratings rather than dispensing with them altogether. IAAC commended OIOS on the results of its most recent external quality assessment, in which the examiner had determined, for the first time, that the Office generally conformed to the standards and code of ethics of the Institute of Internal Auditors. OIOS must nevertheless work to establish outcome-oriented goals and performance indicators, while drawing on data visualization techniques to analyse trends over time, depict progress towards targets, identify areas that required action, and determine the details of the action needed. The Office should continue to report the results of its external quality assessments to all stakeholders, in accordance with the standards of the Institute of Internal Auditors, and should expedite the external quality assessment process for the Inspection and Evaluation Division and the Investigations Division. To date, OIOS had conducted no client satisfaction surveys, despite the previous recommendation of IAAC in that regard; it should therefore ensure that such surveys were conducted in the future by all of its divisions and the Office as a whole.

14. IAAC found the Office's arguments for delaying the establishment of a central intake mechanism for investigations unconvincing. Instead of implementing a comprehensive intake system as part of the recently developed case management platform GoCase, OIOS had decided to establish such a system only for reports of sexual exploitation and abuse, using its existing hotline, which could not adequately fulfil the function of a central intake mechanism. OIOS should therefore develop an effective central intake mechanism as a matter of priority, in line with the previous recommendations of IAAC, the Advisory Committee on Administrative and Budgetary Questions, JIU and the Board of Auditors, as well as the decisions of the Management Committee and General Assembly resolutions 59/287 and 71/283. The Office should also redouble its efforts to fill vacancies in the Investigations Division.

15. With regard to financial reporting, IAAC commended the Secretariat for bringing the Organization's accounting standards into line with International Public Sector Accounting Standards and for identifying lessons learned that could inform the implementation of similar projects. IAAC recommended that Umoja should be equipped with an audit module that took into account the needs of OIOS in order to strengthen the Organization's system of internal oversight. In that connection, it welcomed the progress made in improving the internal control system and emphasized the importance of educating managers and staff with regard to the importance of strong internal controls. In the future, IAAC planned to conduct a more thorough review of the Organization's statement of internal control in order to ensure that it contained all of the essential elements, including sections on scope of responsibility, the purpose of the internal control system, the risk and control framework, and the review of the system's effectiveness. Lastly, while welcoming the Office's renewed efforts to tackle fraud and corruption, IAAC believed that, without an effective central intake system, the concerns of oversight bodies regarding the underreporting of fraud would not be addressed.

16. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, acknowledged the important strategic role played by OIOS in enhancing oversight, pursuant to General Assembly resolution 48/218 B, and encouraged OIOS staff to implement its mandate effectively, in line with the relevant General Assembly decisions and Secretary-General's administrative instructions.

17. She noted the various recommendations issued by OIOS relating to, inter alia, cost savings, recovery of overpayments, and efficiency gains, the financial implications of which amounted to $16 million. She also welcomed the initiatives that had been undertaken by the Office to strengthen its functions and promote cooperation and coordination with other oversight bodies, which would be critical for ensuring high standards of professionalism and efficiency and reducing gaps, duplication and overlap in oversight work. The Office should continue to collaborate with entities in its professional network, in particular those focused on auditing and evaluation, while complying with international professional standards in those areas. The value of the Office's work was greatly enhanced by the preparation and use of manuals and guidelines relating to all aspects of its work; the establishment and operationalization of consultative forums; and capacity building through training and recruitment. The Group was nevertheless concerned at the vacancy rate in the Investigations Division, which had stood at 21.2 per cent as at 31 May 2017, as it could hamper the ability of OIOS to carry out its investigative functions. The Group therefore concurred with IAAC on the need for OIOS to develop innovative recruitment strategies as a matter of priority.

18. Commending the Office's commitment to implementing enterprise risk management, she urged senior management to actively lead that effort in order to ensure that managing risks became a standard way of doing business. In that regard, she expected that the realism of the timelines set out in the risk action plans approved in June 2015 would be reassessed. While the assessment of evaluation capacity across the Organization had yielded mixed results, the progress made in strengthening evaluation functions and the increase in the number of entities with evaluation policies and plans were encouraging. She expected that the Office would focus on addressing the limitations that it had faced in preparing its related report (A/72/72) in order to provide an accurate picture of the evaluation capacity of the United Nations system. As some entities lacked the expertise, resources and evaluation policies required to effectively undertake evaluation activities, the Group called for the allocation of adequate resources for such activities and the establishment of evaluation policies in all United Nations entities. She trusted that, in building the capacity needed to establish a robust evaluation function based on appropriate policies, methodologies, plans, resources and best practices, the Secretary-General would endeavour to ensure the operational independence of OIOS. She also expressed gratitude to those stakeholders that had contributed extrabudgetary resources for evaluation activities and urged stakeholders that had not made such contributions to do so.

19. IAAC had issued useful recommendations to the General Assembly on compliance with audit requirements, enterprise risk management and the internal control framework, mobilization and management of funds, financial reporting, and strengthening of the evaluation, auditing and evaluation functions. She recognized the importance of the efforts undertaken by IAAC to improve coordination with oversight bodies and encouraged it to capitalize on further opportunities for collaboration.

20. The Group emphasized the importance of voluntary contributions and pooled funding mechanisms for mandate fulfilment, and supported the establishment of a mechanism aimed at enhancing access to information on donor assessments. It also agreed with JIU on the need to organize a high-level dialogue between donors and the executive heads of United Nations system organizations in order to determine shared priorities and establish a multi-stakeholder assessment framework.

21. **Ms. Bodenmann** (Switzerland), speaking also on behalf of Liechtenstein, highlighted the central role of OIOS in strengthening the governance and functioning of the United Nations, and the need for a robust internal oversight function to enhance the Organization's accountability, transparency, and ability to fulfil its mandates, in line with the objectives of the Secretary-General's management reform initiative.

22. In order to provide valuable oversight, OIOS must maintain an appropriate degree of real and perceived independence from the Administration at the United Nations and funds and programmes. In that regard, the two delegations agreed with IAAC that the Office must strike an appropriate balance between the imperatives of advising management and maintaining operational independence.

23. A risk-focused approach to oversight was essential. To that end, management must be encouraged to ensure that systematic identification and management of risks became a standard way of doing business. She agreed with the Board of Auditors with regard to the need for the Secretariat to develop a detailed implementation plan for all elements of enterprise risk management.

24. While significant progress had been made, OIOS must redouble its efforts to prevent sexual exploitation and abuse and ensure the protection of civilians. She agreed with the previous recommendation of IAAC that the Office should identify the specific management controls that needed to be in place in a peacekeeping mission from the outset, and monitor their effectiveness as new operations were formed. That would enhance the ability of the Organization to prevent cases of abuse, in addition to reducing the need to investigate such cases. Furthermore, the Office must have adequate resources and capacities to investigate allegations in a timely manner in order to hold perpetrators accountable.

25. **Ms. Norman Chalet** (United States of America) said that the efforts of OIOS to address fraud, waste and mismanagement were vital to the sustainability and effectiveness of the United Nations. She commended the Office for the audits and investigations of high-level fraud and corruption that it had conducted in 2016 and 2017, and for strengthening its proactive operational response in high-risk areas such as medical insurance fraud, educational grant fraud and implementing partner fraud. Greater efforts must nevertheless be undertaken to comprehensively address the underreporting of fraud.

26. She noted the success of OIOS in reducing the average time taken to complete an investigation from an all-time high of 23 months in 2011 to the current time frame of 10 months and encouraged the Office to continue working towards its target of completing

investigations in 6 months. The documentation of 31 substantiated allegations during the reporting period illustrated the importance of conducting investigations expeditiously. In addition, OIOS must continue to investigate allegations of misconduct, in particular sexual exploitation and abuse, against United Nations personnel, and to work with other United Nations entities to strengthen system-wide investigative capacity in that area. The Office must also continue working with the Ethics Office to strengthen coordination and cooperation in implementing the Secretary-General's policy on protection against retaliation and to investigate matters related to retaliation in a timely manner. To that end, vacancies in the Investigations Division at Headquarters and regional offices must be filled as a matter of priority.

27. She welcomed the positive outcome of the external quality assessment of the Office's Internal Audit Division and encouraged OIOS to improve its use of data analytics in order to manage risks and ensure optimal utilization of the information available through Umoja. OIOS should also strengthen its capacity to conduct performance audits. In that regard, she noted with appreciation the Office's efforts to utilize evaluations in order to promote meaningful organizational change and the effective and efficient implementation of mandates. Lastly, her delegation remained committed to strengthening the operational independence of OIOS, including by granting it greater authority and flexibility with regard to the use of its resources, and commended the Office's efforts to update its guidelines and protocols on advising management about situations subject to audit or investigation.

28. **Mr. Locsin** (Philippines) said that his delegation supported the role of OIOS in promoting a culture of accountability, transparency, efficiency and good governance. While separation between internal and external oversight bodies must be maintained in order to ensure effective supervision, cooperation between such bodies remained critical to the successful implementation of their mandates. His delegation welcomed the positive outcome of the external quality assessment of the Office's Internal Audit Division and commended the efforts of OIOS to encourage members of its divisions to exchange best practices in order to strengthen fulfilment of their mandates. Such cooperation improved the quality of the guidance provided to the General Assembly and United Nations leadership and exemplified a valuable alternative to a silo mentality.

29. Noting the recommendations of IAAC for improving the Office's effectiveness in combating fraud and corruption, he expected that OIOS would take steps to address the need for a central intake mechanism and looked forward to learning more about the Office's efforts in that regard during informal consultations. In addition, he noted the endorsement by IAAC of the Office's efforts to align its operations with the requirements of the 2030 Agenda, in particular the decision of the Inspection and Evaluation Division to include reviews of the Sustainable Development Goals in its evaluations and to designate support for the Goals as one of the high-risk focus areas of the Organization.

The meeting rose at 4.10 p.m.

United Nations A/C.5/72/SR.3

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Seventy-second session

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Summary record of the 3rd meeting
Held at Headquarters, New York, on Friday, 6 October 2017, at 10 a.m.

Chair: Mr. Tommo Monthe ..... (Cameroon)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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The meeting was called to order at 10.10 a.m.

Statement by the President of the seventy-second session of the General Assembly

1. **Mr. Lajčák** (President of the General Assembly) said that, as the Fifth Committee faced a busy session, he wished to highlight three points. The first point was the need for awareness of the key role played by the Committee, whose resolutions reflected a commitment of the Member States to share the financial burden for the activities relating to the three pillars of the Organization: peace and security, human rights and development. The Committee's tasks, from approving budgets to monitoring expenditure and approving the Organization's administrative framework, should be exercised with thought and care.

2. The second point was the need for sound working methods, timely decision-making and a spirit of collegiality in order to ensure the success of the seventy-second session. He urged the Committee to continue to examine and improve its working practices. He particularly acknowledged the challenge posed by the late availability of documents and reports for the current session, and the late arrival from the other Main Committees of resolutions with programme budget implications, which must be examined by the Fifth Committee. He had encouraged the Chairs of those other Main Committees to keep the Chair of the Fifth Committee informed of progress with their business, and intended to remind the General Committee of the recommended deadline of 1 December to apply to any resolution with such budget implications. He stood ready to use his authority to speed up issuance of documentation, should the Chair of the Fifth Committee so request.

3. The third point was the need to bear in mind the impact on individuals of the Fifth Committee's decisions. The resources available, and the management of these resources, affected the Organization's ability to do its job — to improve the lives of people. United Nations staff, men and women who were an invaluable asset, were also directly affected by decisions of the Fifth Committee; it should therefore aim for timely decision-making so that staff had time to prepare for and adjust to any changes. The human needs of the Member States' representatives in the Fifth Committee should also not be forgotten. Those representatives deserved to spend holidays with family and friends. He wished to reassure the Committee that he would follow its work with keen interest, and remain at the disposal of the Chair and Bureau.

Agenda item 140: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/C.5/72/L.2)

Draft resolution A/C.5/72/L.2: Scale of assessments for the apportionment of the expenses of the United Nations: requests under Article 19 of the Charter

4. *Draft resolution A/C.5/72/L.2 was adopted.*

Agenda item 135: Programme budget for the biennium 2016–2017

United Nations Office for Partnerships (A/72/167)

5. **Mr. Kennedy** (Senior Programme Officer, United Nations Office for Partnerships), introducing the 2016 report of the Secretary-General on the activities of the United Nations Office for Partnerships, recalled that the Office oversaw the United Nations Fund for International Partnerships (UNFIP) and the United Nations Democracy Fund (UNDEF), and provided partnership- and outreach-related advisory services to United Nations system, Government and non-governmental agencies, in support of the Sustainable Development Goals, and, more generally, in support of the implementation of the 2030 Agenda for Sustainable Development.

6. The purpose of UNFIP was to serve as the interface between the United Nations system and the United Nations Foundation, a relationship governed by the Revised and Restated Relationship Agreement between the United Nations and the United Nations Foundation, signed in 2014. The Agreement had established a Joint Coordination Committee to assist with that task. The cumulative grant allocations provided by the United Nations Foundation through UNFIP between 1998 and 2016 had reached $1.4 billion, and covered 168 projects implemented in 127 countries by 48 United Nations entities. With regard to UNDEF, meanwhile, 49 new projects had received a total of $10 million from the tenth round of funding in 2016, and 3002 proposals for assistance from the eleventh round of funding had been received by the December 2016closing date for applications in that round. In 2016, the UNDEF Advisory Board had approved a revised post-project evaluation strategy, aimed at making better use of available expertise and exploiting lessons learned from project evaluations, all of which were published on the UNDEF website.

7. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that UNFIP collaboration with many institutions to address global health priorities, including the elimination of preventable diseases such as poliomyelitis, measles,

rubella and malaria, as well as its advocacy for the health and wellbeing of women, children and adolescents, should continue and expand. The Group commended efforts in other fields, including telecommunications, refugee education, the empowerment of women, environmental protection and the promotion of democracy.

8. The Group encouraged the Office for Partnerships to continue engaging with potential partners to support Member States in their efforts to implement the 2030 Agenda and Addis Ababa Action Agenda, and to work closely with regional and subregional organizations. It believed that the Office should focus more closely on some aspects of the 2030 Agenda, notably the promotion of industry and services as a key component of sustainable development and job creation, particularly for young people and women. Also needing more concerted effort was capacity building to mobilize resources for the implementation of the Agenda. The Office should do its best to support Member States' national development plans. Lastly, the Group called for detailed information regarding best practices and available financial support to be shared with all of the Member States.

9. **The Chair** invited the Committee to adopt the customary oral draft decision on the United Nations Office for Partnerships, by which it would take note of the report of the Secretary- General on the activities of the Office.

10. *The draft decision was adopted.*

Agenda item 136: Proposed programme budget for the biennium 2018–2019

Revised estimates relating to the Office of Counter-Terrorism under section 3, Political affairs, section 29D, Office of Central Support Services, and section 36, Staff assessment, of the proposed programme budget for the biennium 2018–2019 (A/72/117 and A/72/7/Add.1)

Request for a subvention to the United Nations Institute for Disarmament Research resulting from the recommendations of the Board of Trustees of the Institute on the work programme of the Institute for 2018–2019 (A/72/369 and A/72/7/Add.2)

Conditions of service and compensation for officials, other than Secretariat officials, serving the General Assembly: full-time members of the International Civil Service Commission and the Chair of the Advisory Committee on Administrative and Budgetary Questions (A/72/366)

11. **Ms. Bartsiotas** (Controller), introducing the report of the Secretary-General on revised estimates relating to the Office of Counter-Terrorism under section 3, Political affairs, section 29D, Office of Central Support Services, and section 36, Staff assessment, of the proposed programme budget for the biennium 2018–2019 (A/72/117), recalled that the General Assembly, in its resolution 71/291, had welcomed the recommendations contained in the report of the Secretary-General on the capability of the United Nations system to assist Member States in implementing the United Nations Global Counter-Terrorism Strategy (A/71/858), and had decided to establish the Office of Counter-Terrorism. In the same resolution, it had welcomed the initiative of the Secretary-General to transfer to that Office the staff and associated regular budget and extrabudgetary resources of the Counter-Terrorism Implementation Task Force and the United Nations Counter-Terrorism Centre.

12. The report reflected the transfer of six posts, plus associated post and non-post resources, from the Counter-Terrorism Implementation Task Force in the Department of Political Affairs, under section 3, Political affairs, of the proposed programme budget for the biennium 2018–2019, to the Office of Counter-Terrorism, under the same section. The Secretary-General had also proposed the allocation of $1.1 million in additional resources, covering the associated posts approved by the General Assembly in resolution 71/291, and an allocation for the Office of Central Support Services, for general operating expenses.

13. Introducing the note by the Secretary-General on the request for a subvention to the United Nations Institute for Disarmament Research (UNIDIR) resulting from the recommendations of the Board of Trustees of the Institute on the work programme of the Institute for 2018–2019 (A/72/369), she said that, in accordance with General Assembly resolution 60/248, General Assembly resolution 70/69, the statute of the Institute and the recommendations contained in the report of the Secretary-General on the work of the Advisory Board on Disarmament Matters (A/70/186), the General Assembly was being requested to approve a subvention to UNIDIR of $2,074,700. The related resource provision, which included an amount of $1,774,700 for the core institutional staffing funding requirements of the Institute and an amount of $300,000 for an assessment by an independent third party with a mandate to prepare a report on the future structural, financial, administrative and operational aspects of the Institute, had been included under section 4, Disarmament, of the proposed programme budget for the biennium 2018–2019.

14. Introducing the report of the Secretary-General on conditions of service and compensation for officials, other than Secretariat officials, serving in the General Assembly: full-time members of the International Civil Service Commission and the Chair of the Advisory Committee on Administrative and Budgetary Questions (A/72/366), she recalled that the General Assembly, in section III, paragraph 8, of its resolution 65/268, had decided that the conditions of service and compensation of the full-time members of the International Civil Service Commission and of the Chair of the Advisory Committee on Administrative and Budgetary Questions should be reviewed every four years. Furthermore, pursuant to section III, paragraph 9, of the same resolution, reports containing such reviews were to be submitted, on an exceptional basis, directly to the General Assembly.

15. The Secretary-General proposed that the new education grant scheme and the relocation package approved by the General Assembly in its resolution 70/244 should be extended to the three officials concerned. No other changes were proposed to their other conditions of service. In connection with the decision by the General Assembly, in its resolution 65/268, that the annual net compensation of the three officials should be subject to a cost-of-living adjustment equivalent to the annual change in the midpoint net base salary of the most senior Secretariat officials, those cost-of-living adjustments would be reported in the context of the relevant performance reports.

16. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on revised estimates relating to the Office of Counter-Terrorism (A/72/7/Add.1), said that the Advisory Committee had taken note of the explanation provided by the Secretary-General in his report on that subject (A/72/117) that, owing to the timing of General Assembly resolution 71/291, which had established the Office, it had not been possible to include the related resource requirements in the main budget proposal, and that they were therefore being presented in the form of revised estimates, in line with existing budgetary procedures. Taking account of the fact that the proposed resources represented the programme budget implications for the entire biennium of the decisions already made by the General Assembly, the Advisory Committee recommended that the General Assembly should approve the resources requested.

17. Introducing the report of the Advisory Committee on the request for a subvention to the United Nations Institute for Disarmament Research (A/72/7/Add.2), he said that the Advisory Committee recommended approval of that request, which included a one-time allocation for a third-party independent assessment of UNIDIR, subject to the Advisory Committee's recommendation of a reduction in the funds for that independent assessment. The Committee was scheduled to consider at a later date the further remarks and recommendations made by the Advisory Committee in connection with section 4, Disarmament, of the proposed programme budget for the biennium 2018–2019.

18. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that the Group supported the proposed subvention to UNIDIR, looked forward to the third-party independent assessment and welcomed the call of the Board of Trustees for the Institute to have a sustainable and stable funding structure and operating model, consistent with the mandate and objectives contained in its statute. The Group had noted that the proposal regarding compensation and other conditions of service for the full-time members of the International Civil Service Commission and of the Chair of the Advisory Committee entailed no change, but wished to receive clarification in the informal consultations of the Fifth Committee of the current level of the cost-of-living adjustment for those officials.

19. **Ms. Tripathi** (India) said that her delegation hoped that the Committee would approve by consensus the vital proposed allocation of funds to cover the posts required for the operation of the newly-created Office of Counter-Terrorism. It had noted the intention also to use extrabudgetary resources to support the activities of the Office. The establishment of the Office was an eagerly-awaited first step in enhancing coordination of the Organization's counter-terrorism efforts and in aligning collective action with a global reality that had changed. In order to fulfil its mandate effectively, the Office must have the ability to engage Member States at a higher political level and to cooperate with other international organizations involved in counter-terrorism. The establishment of the Under-Secretary-General post to head the Office was an important step in that direction.

20. At a time when terrorist networks were making increasing use of cyberspace, and particularly social media and other platforms, to create transnational networks, the Member States should not hinder action to tackle that menace by creating barriers in the form of political boundaries or bureaucracy. There had never been a stronger rationale for Organization-wide action on terrorism, increased coordination, and greater cooperation among stakeholders. No country was immune to the scourge of terrorism. While her delegation welcomed the allocation of additional resources and the

reallocation of existing budgetary and extrabudgetary resources to the Office, the availability of regular-budget funds to implement the ambitious mandate of the Office remained disproportionately low. Many of the efforts focused on the four pillars of the Global Counter-Terrorism Strategy would need to be funded from extrabudgetary resources.

21. The collective political will of all Member States must be translated into an effective strategy for coordinated action by the United Nations system. The newly-created Office merited commensurate appropriation of resources, particularly from the regular budget. Such action would help to maintain continuity, transparency and Member-State oversight in that important area of the Organization's work.

Agenda item 138: Improving the financial situation of the United Nations

22. **Ms. Beagle** (Under-Secretary-General for Management), accompanying her statement* with a digital slide presentation, said that she would focus on four main financial indicators: assessments issued, unpaid assessed contributions, available cash resources and outstanding payments to Member States in respect of three budget categories: the regular budget, peacekeeping and the international tribunals. While the 2017 financial indicators for peacekeeping operations and the international tribunals had remained generally sound and positive, regular-budget resources were exhausted, with reserves at low levels. Severe cash problems in the final months of 2017 would occur unless sufficient contributions were received. That situation was not unprecedented. As always, the Secretariat was making every effort to process payments for troop-contributing countries and for contingent-owned equipment expeditiously. As a result, outstanding payments to the Member States concerned had decreased significantly.

23. Concerning the regular budget, the level of assessments issued in 2017 had slightly exceeded the level of assessments issued in 2016. The level of payments received by 30 September 2017 had been slightly below the equivalent level for 2016. By 30 September 2017, 134 Member States, 8 more than in 2016, had paid their regular budget assessments in full. Since 30 September 2017, Poland had joined those Member States, which she thanked for their efforts. The remaining 58 Member States were urged to pay their assessed contributions in full as soon as possible. Cash resources available for the regular budget under the General Fund included the Working Capital Fund (at the level of $150 million established by the General Assembly) and the Special Account (currently standing at $201 million). On 30 September 2017, the cash shortfall had stood at $142 million, an amount covered by the Working Capital Fund. Taking into account the level of reserves, the cash available on that date had stood at $209 million.

24. In May 2017, when the General Assembly had received its most recent briefing on the financial situation of the Organization, the view had been expressed that the cash position of the regular budget would be tighter toward the end of the year. There had in fact been regular budget cash shortfalls in August and September 2017. Unless sufficient contributions were received, problems would be more severe in the final months of 2017. The combined level of the Working Capital Fund and Special Account, $351 million, was sufficient to cover only six weeks of regular budget requirements. The level of the Working Capital Fund would be addressed as part of the Secretary-General's management reform proposals.

25. Peacekeeping operations had a different financial period from the regular budget (from 1 July to 30 June, rather than a calendar year). Moreover, separate assessments were issued for each operation and, since assessments could only be issued for the mandate period authorized by the Security Council for each mission, they were issued for different periods throughout the year. A total of $6.1 billion had been assessed for peacekeeping operations in 2017, with $5.4 billion received so far. On 30 September 2017, the total amount outstanding for peacekeeping operations had stood at approximately $2.5 billion, including recent assessments for the United Nations Interim Force in Lebanon ($419 million) and the United Nations Support Office in Somalia ($462 million), following extension of their mandates.

26. The Secretariat understood that the unpredictable amount and timing of peacekeeping assessments throughout the year, and the differing fiscal years of Member States, made it more difficult to keep payments fully current. On 30 September 2017, 32 Member States had paid all peacekeeping assessments in full. Since 30 September 2017, Angola and Denmark had joined those Member States, which she thanked for their efforts. On 30 September 2017, the total cash available for peacekeeping, including the resources of the Peacekeeping Reserve Fund, had stood at approximately $3.4 billion, broken down as follows: approximately $3.1 billion in the accounts of active missions, $174 million in closed mission accounts, and $138 million in the Peacekeeping Reserve Fund.

* Information subsequently circulated in document A/72/522.

27. The Secretariat had continued its efforts to reduce the level of outstanding payments to a minimum, and had achieved a record reduction of the amount outstanding. Only $1 million was owed to Member States for troops and formed police units. With regard to claims for contingent-owned equipment, $404 million was owed in the case of active missions, and $86 million was owed in the case of closed missions. The total of $491 million was a significant reduction. However, reimbursements would be kept current and the total amount owed was projected to decrease to $804 million at the end of 2017. The Secretary-General was committed to meeting obligations to Member States providing troops and equipment as expeditiously as possible. The Secretariat monitored the peacekeeping cash flow situation constantly with a view to maximizing payments, depending on available cash and statistical information.

28. The overall financial position of the international tribunals and the International Residual Mechanism for Criminal Tribunals had remained generally sound in 2017, and was expected to remain so. As a result of the closure of the International Criminal Tribunal for Rwanda, assessments had been issued only for the International Tribunal for the Former Yugoslavia and the Residual Mechanism. On 30 September 2017, unpaid assessments for the tribunals had stood at $49 million, $6 million lower than one year previously. By 30 September 2017, 106 Member States, 5 more than one year previously, had paid their assessed contributions for the tribunals and the Residual Mechanism in full.

29. In conclusion, she paid tribute to the 31 Member States that had paid all assessments in full, as the financial health of the Organization continued to depend on Member States meeting their financial obligations in full and on time. Sound cash flow was essential to enable the Organization to fulfil its mandates. The Secretariat, meanwhile, had continued to improve its processes. As an example, in June 2017 it had offered Member States the option of receiving assessment letters by email; 87 Member States had exercised that option, and she urged the remaining Member States to do the same, as it created a faster and more streamlined assessment process.

The meeting rose at 11.10 a.m.